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THE WHITE HOUSE

WASHINGTON

October 14, 1976 ^{1976 OCT 15} AM 8 12

MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE McCONAHEY *SGM*

SUBJECT:

NACo Newsletter for
the President

Attached is a recent copy of the NACo Newsletter in which a tribute is made to the President for his role in the passage of General Revenue Sharing.

I think that the President should see a copy of this and have included a draft memo for your signature.

Attachments



type info. in upper corner

f 12-6

THE WHITE HOUSE
WASHINGTON

INFORMATION

October 18, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES CANNON

SUBJECT:

Newsletter of the
National Association
of Counties

Attached is a recent copy of the newsletter of the National Association of Counties. From their articles and tribute to you on the final page, they clearly recognize your role in the passage of General Revenue Sharing.

Attachment





ADVISORY

COMMISSION ON INTERGOVERNMENTAL RELATIONS

WASHINGTON, D.C. 20575

1976 OCT 20 PM 12 28

October 18, 1976

*Letter -
Int.*

MEMORANDUM

TO: ALL COMMISSION MEMBERS

FROM: Wayne F. Anderson
Executive Director

WFA

SUBJECT: Confirmation of Date for Next ACIR Meeting

Chairman Merriam has now approved holding the next ACIR meeting on December 16 and 17, in Washington, D.C. Docket books and other materials will, of course, follow as usual, and we will be checking with you well in advance concerning attendance and related matters.

OK
WFA



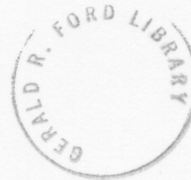
16
F.
October 19, 1976

1976 OCT 19 PM 6 32

TO: JIM CANNON
FROM: STEVE MCCONAHEY
SUBJECT: Payments in Lieu of Taxes

I want to restate my strong belief that it would be politically unwise for the President to veto the "Payment in Lieu of Taxes Bill".

I am convinced that upon their return, Congress would take action to pass this legislation over his objection. Moreover, this bill has extraordinary support from state and local officials in key western states. A veto of the bill could well undercut the positive benefits gained from general revenue sharing action.



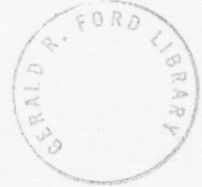
102023

THE WHITE HOUSE
WASHINGTON

f. D-Col.
ACTION

October 19, 1976 1976 OCT 19 PM 5 05

MEMORANDUM FOR: JIM CANNON
FROM: STEVE McCONAHEY *SGM*
SUBJECT: D.C. Commuter Tax



Several days ago we received a letter from Chairman Herrity of Fairfax County asking for a statement of the President's position on a commuter tax for Maryland and Virginia residents working in the District of Columbia (Attachment A). After checking with OMB and others, it was concluded that our position should be neutral and that we should indicate it is being watched and studied, noting that final Congressional action has not taken place. However, I received a call from Max Friedersdorf's office indicating that this question does have political overtones given the fact that the President stated his opposition to a Maryland delegate during the primary campaign. In his statement (see Attachment B), the President indicated that under ^{W. Fuld} current circumstances he would not favor the bill and ~~veto~~ it. This statement was also reported in the press.

It is my understanding that this comment by the President has not been formalized into an Administration position. However, more inquiries are arriving from Northern Virginia and it appears that we will have to take a clear position.

This issue has not been studied to a great extent by OMB or by anyone else on the White House staff. Therefore, it would be difficult at this time to give a detailed analysis, and my hunch is that it would still come down to a political level, particularly given our stand of remaining neutral to most District of Columbia related issues.

Friedersdorf has asked that I draft a letter from the President to Chairman Herrity stating our opposition to the tax. (Attachment C) I have attached a draft letter for your review. I need your guidance on this issue and letter. Please note Herrity has written to Carter asking for his position (see Attachment D).

APPROVE _____

DISAPPROVE _____

Attachments

QUERN RECOMMENDS APPROVAL

READING



ADVISORY

COMMISSION ON INTERGOVERNMENTAL RELATIONS

WASHINGTON, D.C. 20575

October 20, 1976

AM 9 13



MEMORANDUM

To: Members of the Advisory Commission on
Intergovernmental Relations

From: Wayne F. Anderson, Executive Director

Re: Recent ACIR Press Coverage

WFA

Enclosed are sample clippings of ACIR press coverage in recent months. Dominating this collection are stories based on ACIR's "best sellers," Significant Features in Fiscal Federalism and 1976 Changing Public Attitudes on Governments and Taxes.

Significant Features was quoted in news stories and editorials in 16 newspapers in 11 states including the Miami Herald, Toledo Blade, Philadelphia Bulletin, and the Baltimore Sun. It was also cited in syndicated columns by M. Stanton Evans and William Randolph Hearst Jr.

ACIR's 1976 poll was quoted in a story syndicated by Gannett News Service, in the Chicago Daily News, Philadelphia Inquirer, Money Manager, Human Events, and in at least five small newspapers.

Other news clippings attached deal with ACIR's indexation recommendations, military taxation study, and State Actions 1975.

Also included in this packet are articles featuring two Commission members: an Alan Otten column in the Wall Street Journal on Governor Evans and a New York Times story on F. Clifton White.

102805

THE WALL STREET JOURNAL

Politics & People

By ALAN L. OTTEN

Job Well Done

OLYMPIA—One of the nation's ablest

In a long list of accomplishments as governor, often extracted patiently from a grudging Democratic legislature, Mr. Evans is proudest of a far-reaching package of environmental laws. "Environmental protection," he asserts, "is something we in Washington did well and early. Now we're at a point where we can confidently say that our air is cleaner, our water is purer, our shoreline and land base are protected—and all are improving rather than deteriorating."

Another boast: 12 years of scandal-free administration. In fact, he says, "that's probably worth more than anything else, to set a standard for government and hope it will carry on." Politicians and reporters

A special Republican opportunity, he suggests, may lie in trying to bring into the political process those men and women who have never participated or have dropped out. "So many people," he says, "believe their views don't matter any more, so why get involved. Get people back to believing in the political process, and taking part in it, and we Republicans will get more than our fair share of them."

In his home state, he's pushed a variety of actions to involve the public in government. One of the most innovative. Attempts

Frederick Clifton White

By JAMES T. WOOTEN

Special to The New York Times

little or no chance of winning
his party's nomination over

Taxes Taking More Of This Country's National Product

**Report Discloses
A Smaller Share
Going To Defense**

By FRANK KANE

Where did most of the increase in federal domestic spending come? In Social Security, which went from 1 per cent of the gross national product in 1954 to 5.8 per cent in 1976. And in federal aid to state and local governments, which rose from 0.8 per cent of GNP in 1954 to 3.5 per cent today.

ST. JOSEPH, MO.
GAZETTE
D. 44,500

SEP 21 1976

What's middle income? Candidates continue the debate

By The Associated Press

on issues, repeated later that the people, the Census Bureau has another described the average family as having an

9-19-76

Editor's Report

PAGE ONE

By *William Randolph Hearst*

The costs of government

ADVISORY COMM.

NEW YORK — The

Today, with the deliberate intention of making

LIMA, OHIO

NEWS

U. S. 100 000 15.6/4

SEP 2 1976

By Keller

Where your money goes



By M. Stanton Evans

The Sunday Bulletin
PHILADELPHIA, PA.
SUN. 701,743

AUG 22 1976

By Helms



Louis
Rukeyser

Federal Gov't.— A Piker?

Now that the general-election campaign is under way, it is time to ask the question: Is the Federal Government a piker?

Percentage of GNP

The commission found, in fact, that Federal taxes actually had declined slightly as a percentage of the gross national product.

By any reckoning, state and local taxes have been vaulting even faster than total Federal taxes during the last two decades — taking today, in percentage terms, more than half again as much as they did in the 1950s. The greediest gainer of all has been state government, whose share of the nation's annual production of goods and services has escalated by 71 percent.

Look at the record of the last 10 years alone: The number of Federal employes has grown 11 percent, to 2.86 million. But the number of state and local government workers is up by 54 percent, to 12.5 million.

Or figure it in dollars of expenditure: The Federal bill is up by 40 percent in the last 10 years, while the state and local bill is up by 100 percent.

EDITORIALS

When It Comes to Taxes, Local Government's No Help

The Miami Herald

MIAMI, FLA.

D. 384,824 SUN. 486.568

SEP 5 1976

Byline

ALL HAIL Sub. the resolution of the only because "somebody has to take

THE SUN

BALTIMORE, MD.

(MORNING)

D. 183,549 SUN. 351,849

AUG 7 1976

By Keller

Taxpayers' Revolt

/ When Jimmy Carter says the tax system in this country is a disgrace to the human race, he is speaking to almost all taxpayers in general but to average taxpayers in particular. Almost all taxpayers believe they are carrying too heavy a tax load, but the average taxpayer be-

a central tenet of American economic philosophy. The federal income tax has pretty well retained this progressive feature over the two decades the ACIR is comparing. But Social Security taxes are about the same for the \$14,000 and the \$56,000 family. That is hardly progres-

San Antonio Express
SAN ANTONIO, TEXAS
D. 78,032

AUG 6 1976 *Byfall*

Tax load increases hit low group first

When political leaders speak of tax reform they are on solid ground.

The Advisory Commission on Intergovernmental Rela-

cent; on the well-off family it increased 49 per cent; and on the wealthy family it increased 46 per cent.

The average family's in-

PENSACOLA, FLA.
NEWS
D. 23.000

AUG 11 1976

Byfeller

Healthy Trend

PROBABLY few people, in the light of the vast inflation which has overtaken this country, are aware of it but the proportion of

took only 9.52 per cent of personal incomes, an increase of about one-half of one per cent.

This was less of an increase in

THE MORNING NEWS
PATERSON, N. J.
DAILY 22,608

- 14 -

AUG 25 1976

S. H. L.
06

Look Who's Spending!

Anyone who has been the least bit attentive to this year's political campaigning must know that the federal government is big, costly and wasteful. Washington is the symbol of all that is wrong fiscally—not to mention morally—in this country.

PORT ARTHUR, TEXAS
NEWS

D. 27,500

AUG 26 1976 *B.K.L.*

Look who's doing the spending

Anyone who has been the least bit attentive to this year's political campaigning must know that the federal government is big, costly and wasteful. Washington is the symbol of all that is wrong fiscally.

distances the combined expenditures of state and local governments, but the gap has been closing during the past two decades. This has set off a continuing search

MACOMB, ILL.
JOURNAL
D. 11.500

AUG 24 1976

B. K. L.

Government Spending

Figures prepared recently by the Advisory Commission on Inter-governmental Relations point out that the fastest growth in public spending is in local and state

capital's remoteness and the remoteness of federal officials, has gone on unchecked, with the people virtually giving up on the possibility of ever

Our Sources Of Income

Where does the federal government get its income? The answer is given in a recent report made by a group known as the Advisory Committee on Intergovernmental Relations in Washington.

Forty per cent, or \$131 billion, of the federal government's income comes from individual income tax

Because the average wage earner has moved into a higher bracket (\$5,000 to \$14,000), his federal income tax is up 25 per cent. But that's peanuts compared to the increase in Social Security taxes, up 400 per cent, and state and local taxes, up 533 per cent during the same period.

Unfortunately, there is no way in which this trend is going to be reversed as long as government spending expands; increased government spending must be financed in large part from

ORANGEBURG, S. C.
TIMES AND
DEMOCRAT
D. 10.500 S. 11.000

SEP 2 1976



HAZLETON, PA.
STANDARD-SPEAKER
D. 22,500

SEP 17 1976 *By the*

It's your taxes they're spending

This year when you hear the politicians promising you "more," it would pay to keep in mind what they have done for you in the past as noted in the recent publication of the Advisory Commission on Intergovernmental Relations.

family income in direct Federal, state and local taxes. By 1975 the average family had an income of \$14,000 and paid 22.7%, a 92.4 increase in the portion of income.

THE MIAMI NEWS

MIAMI, FLA.

D. 87,421 SAT. 80,390

AUG 10 1976

Byfaller

Florida overdue for tax reform

Florida's tax climate is just as attractive as its physical climate.

This is what the federal Advisory Commission on Intergovernmental Relations appears to say in its report.

We aren't so sure, however, that this conservatism is for the best.

By failing to fund sufficiently the state's education system, the Legislature

HUMAN EVENTS
WASHINGTON, D.C.
W. 78,250

SEP 4 1976

By Keller

Tax Perspectives

By REP. BARBER B. CONABLE (R.-N.Y.)

A group known as the Advisory Committee on Intergovernmental Relations

above average wealth, also, but less than they have risen for the average taxpayer for several reasons: (1) when you get in the higher brackets of the federal income taxes the increases come more gradually, (2) the Social Security payroll tax is collected on only a limited wage base and (3) wider distribution of real estate ownership places a larger portion of the real estate tax on the average homeowner.

With respect to all types of taxes, some effort has been made by the

Hold the Applause

Actress Rita Hayworth, with her disgust scarcely disguised, said of her ex-husband Orson Welles that the portly gentleman expected her to applaud when he stepped out of the shower.

Permit us to make the same observation of Jim Tait, who advises Florida Governor Reubin Askew on economic affairs. Similarly Carl Ogden, a personable mortgage broker who is chairman of the Florida House Finance and Tax Committee.



A Sun Editorial

Alachua County Supt. James Longstreth's losing struggle to preserve music and adequate catchup math and reading is multiplied by the 67 school

THE EVENING SUN

BALTIMORE, MD.

D. 201,190

AUG 10 1976

B. Keller

Taxes Have Gone Up in Maryland

Some of the nation's governors reportedly hold Governor Mandel in awe because he has been able to avoid raising taxes for seven years. Indeed, Mr. Mandel seems to have

state and local governments than residents of other states or simply pay more for what they do get. But this sobering report comes as the phenomenal growth in state revenue sources

THE EVENING SUN

BALTIMORE, MD.

D. 201,190

AUG 10 1976

By Haller

Md. Taxes 9th Highest In U.S.

State and local taxes in Maryland are the ninth highest in the nation, according to a study by the Advisory Commission on Intergovernmental Relations. The study showed that New York is the only mid-Atlantic state with a greater tax burden.

MORNING ADVOCATE

BATON ROUGE, LA.

D. 61,690 SUN. 97,167

AUG 30 1976

B. H. H. H.

Now, Just Look Who's Spending

By Hoyt Gimlin

Editorial Research Reports

Anyone who has been the least bit attentive to this year's political campaigning must know that the federal government is big, costly and wasteful. Washington is the symbol of all that is

1976 fiscal year amounted to 11 per cent of the national economy's entire output — its goods and services, or GNP. That figure was half again as high as in 1954 (7.4 per cent). In contrast, federal spending as a share of GNP was only one-fifth higher than it was 22 years earlier. It had been

many of them — because federal revenue sharing expires Dec. 31 unless extended by Congress. The prospect is bright for extension. The Senate is expected to approve a House-passed bill for extension (until Oct. 1, 1982) soon after Labor Day.

MARTINSVILLE, IND.
REPORTER
D. 5,000

AUG 18 1976



Let's Talk Politics with Al Spiers

A Truth to Note
A Washington study has confirmed anew one great truth about government that many naive citizens still

Very well, who is paying for all this new government-provided health care? The same ACIR report gives a clear clue.

In 1953, an average American family paid 11.8 per cent of a \$5,000 income in direct federal, state and local taxes. By 1975, the same family had boosted income to \$14,000 — but was paying 22.7 per cent for taxes, a 92.4 per cent hike in tax burden.

During the same period, a wealthier family making about \$50,000 a year saw its tax bill rise only 46 per cent.

It is timely to note the lesson

ACCORDING TO A recent study by the Advisory Commission on Intergovernmental Relations, the average American family earned \$5,000 in 1953 and paid 1 per cent thereof in federal, state and local taxes. By 1975, the average gross family income had jumped to \$14,000, mostly as a consequence of inflation. On that, the tax bite had gone to 23 per cent almost twice the 1953 percentage.

Families four times as rich did better. If 1953 incomer was \$20,000, total tax payments took 20 per cent. That's a lesser percentage than what our \$14,000 family paid in 1975. And in 1975, if family income was four times as large at \$56,000, taxes took 29.5 per cent only.

Few people would want to argue that this end result of our tax legislation looks very fair or economically sound. Tax laws should not widen income disparities. Even fewer people would want to argue that this kind of a

REHOBOTH, DEL.
DELAWARE COAST PRESS
WEEKLY

AUG 26 1976 *By Charles*

New tax legislation called 'absurd'

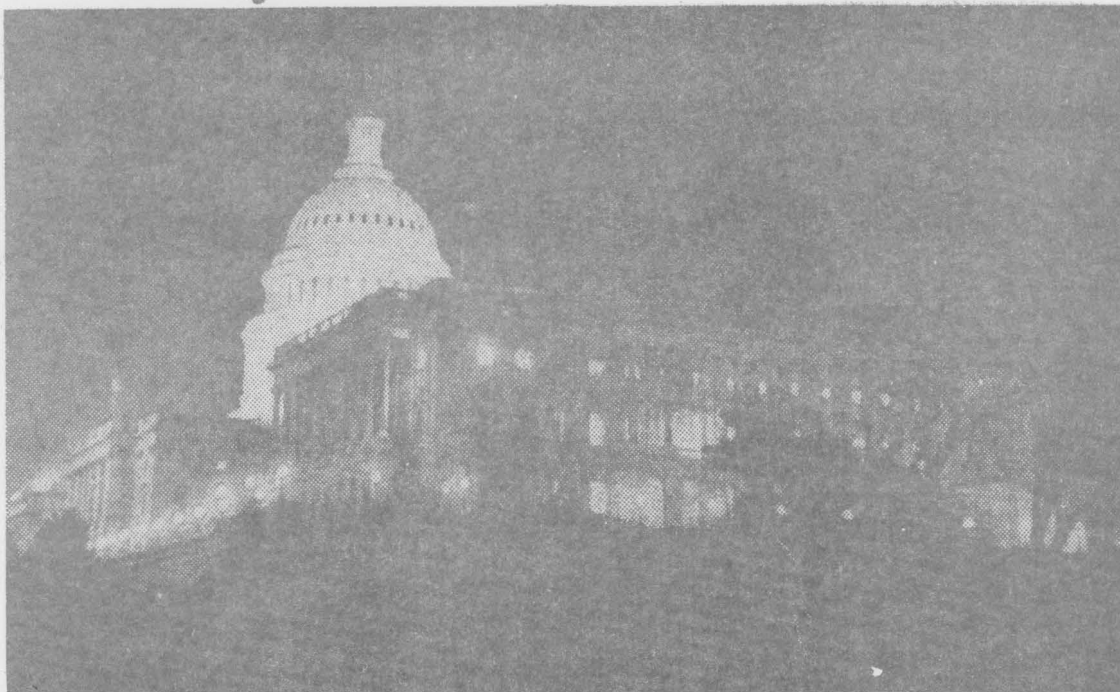
By CHARLES BREECHER

American respect for our Congress has sharply declined in recent years. That's not just due to various scandals that have recently come to light. The

I say "reportedly", because I have not read the bill. Neither, I believe, have many Senators, because it was over 1,500 pages long. No one can read a bill of that kind from cover to cover.

AUG 11 1976

By the way



Washington, most Americans believe, gives us the best buy for our tax dollars. (AP)

Uncle Sam rates tops for tax dollar return

/For the fifth year in a row,
Americans have rated the fed-

federal government "drew its
heaviest support from low in-

by the pollsters to the malaise
of Washington

Philadelphia Inquirer
PHILADELPHIA, PA.
D. 463,503 SUN. 267,810

AUG 6, 1976

Exhibit

48 percent of Americans favor federal aid to hard-pressed cities.

Forty percent opposed federal help for cities in financial trouble.

Long Island Press
JAMAICA, N. Y.
D. 441,961 SUN. 423,790

AUG 18 1976 *Bellini*

A surprise winner in popularity test

Presidential and congressional candidates who are campaigning against Big Government, as personified by Washington, are whipping the wrong

HUMAN EVENTS
WASHINGTON, D.C.
W. 78,250

SEP 11 1976 *Bjork*

The much-maligned Washington bureaucracy has done surprisingly well in a

The Observer-Dispatch

UTICA, N. Y.

D. 45,005 SUN. 58,143

AUG 29 1976 *By Keller*



The Albany Angle

Gannett News Service

JOHN OMICINSKI

ALBANY — From which level of government do you feel you get the most for your money? Federal, state or local?

More than 2,000 people, all of them over 18 and all of them living in private housing, were asked that question last March in a survey.

The answers were:

Federal — 36 per cent.

- 31 -

If state officials are looking around for new sources of revenue, one question asked by ACIR MAY GIVE THEM SOME HINTS. Those surveyed were asked: "Suppose your state government must raise taxes substantially. Which of these do you think would be the best way to do it — state income tax, state sales tax, or state property tax?"

Here are the replies:

Income tax — 25 per cent.

Sales tax — 45 per cent.

Property tax — 10 per cent.

Other tax — 6 per cent.

Don't know — 14 per cent.

Clearly, the survey results indicate that the public would rather pay taxes across a sales counter than see it deducted from their paychecks or confront it in the form of a property tax bill in their mailbox.

How true that may be in New York — where the sales tax is 7 per cent in many Upstate areas and 8 per cent in

BROWNSVILLE, TEXAS
HERALD
D. 7,500

- 32 -

AUG 13 1976

B. K. L.

Federal Government 'Best Buy' In Taxes?

'Bet you didn't know you regard the federal government as your "best buy" as to where your taxes go. If you didn't know that, attend now to a poll commissioned by the Advisory Commission on Intergovernmental Relations, a quasi-governmental group which includes mayors, senators and representatives, governors and cabinet officials.

"Thirty-six per cent of the people polled in the Commission's annual survey on governments and taxes said they felt the federal government was the best buy. Local

SALISBURY, MD.
TIMES
D. 28,500

AUG 15 1976

Suppl.

Poll Indicates People's View On Government

By JUDY BURKE
Times Washington Bureau

WASHINGTON — Politicians who are campaigning on an anti-Washington theme may be banking on the wrong strategy,

want to decrease services and taxes, while 51 per cent want to keep them as they are.

In 1975, 38 per cent wanted to cut services and taxes, and only 45 per cent were content to leave



MONEY MANAGER
NEW YORK, N. Y.
W. CIRC. N. AVAIL.

- 34 -

AUG 30 1976 *By Keller*

Payment of Tax Money to U.S. Government Preferred Over States, Cities, Poll Shows

WASHINGTON — If Americans must turn over to tax collectors each year an increasing amount of what they earn, they'd far prefer that their tax money go to the Federal Government rather than to their state or local governments, according to the Advisory Commission on Intergovern-

Federal aid to big cities, while 40% opposed aid, such as that given to New York City.

When the ACIR pollsters sampled opinions in the larger cities, however, the results changed dramatically. More than 72% favored any and all forms of Federal aid, while only 33%

LANCASTER, OHIO
EAGLE-GAZETTE
D. 10,000

AUG 18 1976

Wrong Inference

POLITICIANS who are campaigning on an anti-Washington theme may be barking up the wrong tree — at least according to a recent poll.

WHEN ASKED by the Advisory Committee on Intergovernmental Relations which level of government gives the most for taxpayers' money, the poll showed that 38 per cent of the people want to keep them where they are. Last year, it was 38 per cent to cut and only 45 for the status quo.

ACCORDING TO the recent poll, the public is less anxious than a year ago to cut government spending and taxes. Thirty per cent of the people want to cut services and taxes and 51 per cent want to keep them where they are. Last year, it was 38 per cent to cut and only 45 for the status quo.

- 36 -

Wall Street Journal

9-8-76

BRIEFS: The Advisory Commission on Intergovernmental Relations, made up of officials from federal, state and local governments, urges Congress to "index" federal

DELAWARE, OHIO
GAZETTE
D. 7,000

SEP 9 1976 *B.H.*

Taft favors end to effects on inflation on tax take

WASHINGTON (UPI) — Sen. Robert Taft Jr., R-Ohio, said today he welcomes the support of the Advisory Commission on Intergovernmental Relations in his effort to prevent inflation from pushing wage-earners into

far, had the Taft inflation-Neutral proposal gone into effect in 1973, the senator said. For a construction worker, the savings would have amounted to \$408, while an automobile worker would have saved \$432.

taxpayers move up from one rate of tax to another.

The ACIR is an independent, bipartisan commission established by Congress in 1959 to monitor intergovernmental relations and make

ATHENS, TEXAS
REVIEW
D. 4.000

AUG 20 1976

Rka

Inflation's Hidden Bite

Many of the nation's families, enjoying annual pay raises pegged to the cost-of-living or beneficiaries of automatic cost-of-living

The Advisory Commission on Intergovernmental Relations, a permanent, bipartisan group of federal

MIDLAND, TEXAS
REPORTER-
TELEGRAM
D. 19,000

AUG 25 1976

Bohler

A sound solution

Many of the nation's families, enjoying annual pay raises pegged to the cost-of-living or automatic cost-of-

The Advisory Commission on Intergovernmental Relations, a permanent, bipartisan group of federal and local officials, is



Wash. Post

8-16-76

Servicemen Avoiding Taxes, Study Shows

United Press International

A significant number of career servicemen shop around for "home states" where they don't have to pay state income taxes, according to Pentagon statistics made public yesterday.

The figures show a disproportionate number of higher-paid servicemen claimed 10 states, which do

San Antonio Express

SAN ANTONIO, TEXAS

D. 78,032

SEP 15 1976

\$4.5 million spent for bases' tobacco

By DAVID McLEMORE

San Antonio retired and active duty military members and

products to unauthorized buyers has become a significant problem in some states.

The Advisory Commission on Intergovernmental

change purchases," Schultz said.

He noted security precautions are tight in exchange stores and are aimed at preventing unauthorized sales of tobacco

be the reason for the large volume of sales for tobacco products.

"The active duty personnel stay at a pretty constant level while the retired community is always in

Rapid City (S.D.) Journal

8-31-76

- 42 -

Advisory Commission discusses taxes, inflation

Taxes and the effect of inflation upon taxes occupied the Advisory Commission on Intergovernmental Relations in Rapid City Monday.

The ACIR was established by Congress in 1959 and charged with moni-

taxpayers into higher tax brackets.

The ACIR recommended to the Congress that tax rates be adjusted annually to allow for inflation. Thus a person whose income just keeps with inflation will not lose purchasing power because

Applying State and Local Sales Taxes To Military Post Sales Urged by ACIR

WASHINGTON — The decades-old tradition and law of exempting sales transacted on military bases from state and local taxes is a "fringe" benefit to one class of Federal employees that should be discontinued, the Advisory Commission on Intergovernmental Relations has recommended.

There is "little compelling reason" why states and local governments would be prohibited from taxing on-

Citing the precedent-setting *McCulloch v. Maryland* Supreme Court ruling, Vice Admiral John G. Fineran, a Deputy Assistant Secretary of Defense, told the ACIR, "The position of the Department of Defense is that the Buck Act should not be amended to allow state and local taxation of on-base sales in military stores."

The ACIR found, however, that for a number of reasons the Buck Act should be repealed, pointing out

MONEY MANAGER
NEW YORK, N. Y.
W. CIRC. N. AVAIL.

SEP 20 1976

Byline

MONEY MANAGER
NEW YORK, N. Y.
W. CIRC. N. AVAIL.

AUG 23 1976 *By Heller*

States Seen Strengthening Role As Equal Partner in Government

WASHINGTON — Although hampered by nation-wide economic problems, state government modernization and restructuring continue both

Two states, Louisiana and New York, adopted measures allowing the Legislature to call itself into

Christian Science
Monitor 8-26

10

Thursday, August 26, 1971

financial

Inflation hard on state finances

By John D. Moorhead

Business and financial writer of
The Christian Science Monitor

State governments are struggling hard to cope with a fiscal bind as inflation pushes up costs faster than the typical state's tax structure can provide revenue.

Spending by federal, state and
local government in the U.S.

Selected years

Total in

State/local

The Shreveport Times
SHREVEPORT, LA.

D. 91,438 SUN. 121,049

AUG 26 1976

B. Sullivan

Illegal Cigarette Sale Woes Cited

WASHINGTON (AP) — Because untaxed cigarettes sold on military bases cost as much as \$2 a carton less than in civilian stores, "cigarette bootlegging has become a significant problem in some states," a government agency says.

United States Senate

WASHINGTON, D.C. 20510

October 20, 1976

TO: JOE JENCKES
FROM: DICK BRYAN (SENATOR HELMS)
RE: "OPERATION HEATWAVE" (GASTON COUNTY, NORTH CAROLINA)

As you requested, pursuant to our phone conversation today, here is a summary of the "Operation Heatwave" matter.

"Operation Heatwave" is a program of the Gaston Community Action, part of the Community Services Administration. Last year Heatwave spent 98% of its funds on administrative overhead (\$20,500 out of \$21,000). Despite much criticism, adverse publicity and half-hearted investigations by the Atlanta office of the CSA, GCA submitted a new budget for this year calling for 94% of the money to be spent on administrative overhead.

Sam Martinez is the head of CSA, "Sonny" Walker is in charge of the Atlanta office, and Ms. Diane Easter is Acting Director of the Gaston Community Action. All have been unconcerned and uncooperative.

The citizens of Gaston County are outraged, and rightly so, at this situation and can't understand why the Administration doesn't do something about it. Obviously, somebody needs to be kicked in the rump.

Heatwave has not only received press coverage in Gastonia, but also in adjacent Charlotte. A corrective move at this time could be politically advantageous for the campaign; besides, it's the right thing to do. If the Administration could take definitive action NOW, I could leak it to a friendly Gastonia reporter who would give it press coverage. This way it would not appear politically orchestrated.

Incidentally, the Gaston County area was a strong Reagan area during the primary largely because Reagan addressed himself to the Heatwave issue while campaigning in Charlotte and Gastonia. Thus, Action here could do nothing but help the President in Gaston County and all of North Carolina.

cc to Jack Marshall - 10/20



THE WHITE HOUSE
WASHINGTON

October 21, 1976

1976 OCT 21 PM 5 16

MEMORANDUM FOR: JIM CANNON
FROM: STEVE McCONAHEY
SUBJECT: Governor Longley

*Kathy Concanan
d for:*

Attached is the Longley statement and a suggested memorandum from you to the President.

Attachments

*Steve
Thacker
Sun*



THE WHITE HOUSE
WASHINGTON

Original was taken by Dr.
Cavanaugh 10/21, past 6PM.

SJ.



1-9

THE WHITE HOUSE
WASHINGTON

October 21, 1976

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON
SUBJECT: Governor Longley's
Endorsement

As you may already know from your talk with Governor Longley of Maine last evening, he has publicly endorsed your candidacy. Attached is the text of the statement which was released to state-wide media, API and UPI at approximately 3:00 p.m. today.

I recommend that you call the Governor thanking him for his endorsement, and I recommend that PFC release a statement of appreciation and recognition of the Governors' sound management in the State of Maine.



STATEMENT BY GOVERNOR JAMES B. LONGLEY

OCTOBER 21, 1976

I have been asked on several occasions by the news media and with increasingly frequency by interested and concerned citizens how I intend to vote in the Presidential election on November 2.

I have been reluctant to publicly state my choice and preference for President because:



1. I seriously question the significance of most political endorsements.
2. As a former Democrat, now Independent, I have no desire to be a king-maker or a spoiler or to ever impliedly give the appearance of speaking for or attempting to influence the Independent voters or present or former Democrats.

2. President Ford is a known quantity. I do not feel this is the time to change a known for an unknown.
3. I believe President Ford has the best chance of continuing the peace for America.
4. I believe Americans are overburdened and over taxed due to excessive Government bureaucracy and programs that encourage welfare and unemployment that savors those who can work but who will not work. President Ford, I feel, has the best chance of turning this around and protecting the paychecks of the working men and women of America.
5. Finally, I feel there is a parallel between Harry Truman and Gerald Ford. They both succeeded to the Presidency under very difficult conditions and both performed superbly. America gave Harry Truman a chance on his own. I hope America will also give President Ford a chance on his own as he has also earned that right.



3. As the only Independent Governor in the nation I recognize, to the extent that an endorsement is important, that it could mean much more than were I a Republican or a Democrat and automatically expected to endorse the party candidate. However, I would not want my endorsement of the given candidate for President to negate any feelings I have for the importance of being an Independent and voting independently or even possibly being involved in an organized Independent movement or even a third party effort in the future.

However, primarily because of the sincere and convincing requests of President Ford and others whom I also admire and respect and in particular, President Ford's convincing me that I would be fulfilling my responsibilities as an American who has deep feelings about America; I am announcing today my intentions to vote for Gerald R. Ford for President on November 2nd.

I plan to vote for President Ford because:

1. I believe President Ford is honest and straightforward....two qualities all Americans want and need in their President today.



THE WHITE HOUSE
WASHINGTON

October 26, 1976

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Art Quaint
74!
Jim

MEMORANDUM TO: DICK CHENEY

FROM: JACK MARSH

Congressman Phil Ruppe of Michigan called today to advise that AP is carrying a release published in Michigan papers indicating that Carter has made a statement that, if elected, he will not permit the Navy to build the Seafarer operation in Michigan, against the wishes of local citizens.

Ruppe considers this to be a very damaging statement, not only to his own campaign, but also to the Presidential campaign in Michigan, inasmuch as Carter has taken the popular side of the issue, which is opposition to Seafarer.

Ruppe feels that Carter's position on Seafarer, coupled with pending Administration announcements of major base closures in Michigan could have a substantial impact especially if Carter were to make some statement that he would reverse the base closing announcement.

The Congressman further advises that Secretary Clements has, in effect, given the Governor of Michigan a veto of Seafarer by apparently agreeing to obtain his concurrence before actual implementation. The Congressman believes that is inadequate in the face of the Carter statement, and is strongly requesting more supportive action by the President to hold up on this controversial program.

cc: MFriedersdorf
JCannon ✓
JCavanaugh

102614

THE WHITE HOUSE
WASHINGTON

10/28/76

Jack Welch -
you should
be aware of
this.

Jim



f 1 - Gort

8:00 folder

THE WHITE HOUSE
WASHINGTON

October 27, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE McCONAHEY *SCM*

SUBJECT:

Governor Longley's
Endorsement

As I indicated to you on the phone, Governor Longley appears to be concerned about the fact that very little has been done to acknowledge his endorsement of the President. Reading between the lines, I sense that he expected a telephone call from the President and some type of national news release in an effort to help persuade Independent voters. In talking with Jim Cavanaugh today, I learned that the President has signed a personal letter to Governor Longley, but at this point has not called him personally since the endorsement occurred. Moreover, PFC has not made any formal release of Longley's action. I have spoken with Jim Baker's office about this and they are considering some action as a result.



1-6

THE WHITE HOUSE
WASHINGTON

October 28, 1976

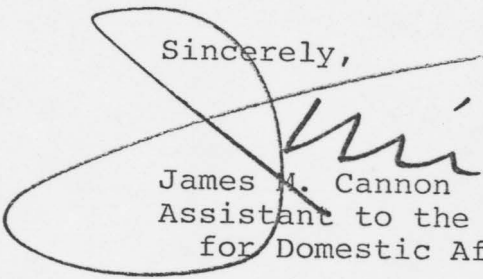
Dear Jan:

Thanks so much for your letter of October 11 enclosing information about Mayor Olson of Des Moines. His interest and willingness to help the President is appreciated. I will see what I can do.

With the election less than a week away, we are very confident of the outcome.

Best regards.

Sincerely,



James M. Cannon
Assistant to the President
for Domestic Affairs

Ms. Jan van Note
Administrative Assistant
Office of the Governor
State Capitol
Des Moines, Iowa 50319





ROBERT D. RAY
GOVERNOR

Office of the Governor

STATE CAPITOL
DES MOINES, IOWA 50319

1976 OCT 25 PM 3 00

JANET VAN NOTE
ADMINISTRATIVE ASSISTANT

October 11, 1976

AKC
WJ Thawley

Mr. James Cannon
Assistant to the President
The White House
Washington, D. C.

Dear Jim:

Pursuant to our conversation, I am enclosing some information about Mayor Richard Olson of Des Moines.

As I indicated to you, he is most anxious to be of any help and would like very much to serve the President on some board or commission.

As you probably aware, our Iowa poll showed the President leading Carter. (was in the paper yesterday) This is good news and I hope a trend everywhere!

Best wishes.....

Jan
jan van note



102601

RESUME - RICHARD E. OLSON

Born: August 3, 1929 - Aurora, Illinois

High School: West Aurora High School, graduated 1947.

College: Attended University of Illinois 1948
Graduated Drake University 1951
President, Alpha Tau Omega

Marital Status: Married Cleo Jean Meredith, March 28, 1951
Four children: Meredith 23, Dave 21, Dana 20, Brad 17.

Employment: Was associated with Minnesota Mining as a salesman for three years.

1960 became Agency Manager for the Bankers Life Company Des Moines Agency. Under his leadership the Agency production has increased from \$5,000,000 to \$75,000,000 and manpower has increased from 7 to 52. He has lead the Bankers Life Company in production for 14 years and now has over \$300,000,000 of insurance in force.

Talked throughout the United States for the Life Underwriters Association and General Agents and Managers Association on private enterprise fighting to keep the government out of a portion of private enterprise.

Member of Inner Circle and Manager's Achievement Round Table for superior agency management, every year since 1967. He is the only manager in the company to qualify for MART each year since then. These are the highest awards a manager can win.

Past Chairman of Bankers Life Manager's Advisory Marketing Council.

Is a qualifying member of Million Dollar Round Table.

General Agents and Managers Conference National Management Award - 1974, 1975 and 1976.

Elected Ward 3 City Councilman in November 1967 for a two-year term.

Re-elected Ward 3 City Councilman in November 1969 for a four-year term.

Resigned as Ward 3 Councilman in the fall of 1971 to run for Mayor. Elected Mayor in November 1971 for a four-year term.

Re-elected Mayor for a second term in 1975.



During terms as elected official:

- leading force on Council in Acquisition of Gray's Lake.
- leading force in setting up and funding the Metropolitan Narcotics Squad - first of its kind in Iowa.
- Member, Executive Committee, League of Iowa Municipalities 1975-76.
- Member, National League of Cities Committee on Effective Government 1976.
- Member, United States Conference of Mayors Criminal and Social Justice Committee 1976-77.
- Member of National Conference of Mayors.
- Formed Citizens Committee to reorganize city government which amounted to one-quarter million dollars in savings by bringing in private sector to work on Mayor's task force.
- Presently has all the life insurance companies, banks, savings and loans and unions working on urban task force, all privately funded, no federal or state government involvement. City furnishing such things as water, sewer, streets, short-term and long-term rehabilitation financing to be furnished by the private sector.
- Currently leading Iowa League of Municipalities to 5% motel/hotel tax to be used to reduce property tax.
- Was able to get Iowa League of Municipalities to endorse a 1% sales tax, excluding food and drugs and farm machinery to be used to reduce property tax in cities and towns in Iowa.
- Spearheaded the drive for 9.3 million in contributions for Des Moines Civic Center.
- One of three Mayors - Mayor Murphy of Tucson, Mayor Greco of Tampa and Mayor Gibson of Newark, made a movie for Housing and Urban Development on revenue sharing which is used as a training film for HUD now.
- Served as Mayor Pro Tem and Mayor for model city planned variations, special revenue sharing and revenue sharing.
- Boss of the Year Award - Jaycees - 1974.
- State Kiwanis Award for saving the lives of two girls during flood - 1974.
- Past President - Drake Booster Club.
- Received Drake Service Award for outstanding leadership.

If references are needed for either my political position or my business position the following are listed:

Harold Allen
Chairman of the Board
The Bankers Life
711 High Street
Des Moines, Iowa 50307

John R. Taylor
Executive Vice-President
The Bankers Life
711 High Street
Des Moines, Iowa 50307

John Ruan
Chairman of the Board and
Owner of Ruan Companies
3200 Ruan Center
Des Moines, Iowa 50309

Robert D. Ray, Governor
State of Iowa
Des Moines, Iowa 50319

John Fitzgibbons
President and Chairman of the Board
Iowa-Des Moines National Bank
Seventh and Walnut
Des Moines, Iowa 50309

Richard Lugar
Former Mayor of Indianapolis
Now running for Senate from Indiana

Robert Allen
President, Iowa Manufacturers Assn.
and Owner of Airline Textile Company
1212 Des Moines Bldg.
Des Moines, Iowa 50309

Mayor Richard Carver
Peoria, Illinois

Neal Smith
United States Congress
Fifth Congressional District, Iowa



Richard May
Vice-President
Minnesota Mining and Manufacturing Company
St. Paul, Minnesota

Jack Pester
President and Owner of Pester-Derby Oil Company
Currently President of United States Independent
Oil Jobbers Association
3317 McKinley
Des Moines, Iowa 50321

David Murdock
Owner and Chairman of the Board
Murdock Development Company
Beverly Hills, California





Mayor Richard Olson

Downtown

Among all the things which the City of Des Moines, as a whole, needs for its continued growth and prosperity, none is so great as maintaining a growing and rejuvenated "downtown" area. The "downtown" area is the life blood not only of the central city, but also of the suburban areas which surround it.

Although there are many which could be cited, a couple of facts illustrate the importance and need of having a strong "downtown". One is, the "downtown" is by far the largest employment center of the city and metropolitan area with over 40,000 persons coming to work daily in this area. Another is, it has the largest concentration of financial and business services and general and professional offices. Another is the amount of private and public investment in this area, private being estimated at about 250 million dollars, and public about $\frac{1}{3}$ of this, or 65 million dollars. Construction of two new office buildings is adding about 48 million dollars.

Because of the key importance of "downtown" Des Moines, it is absolutely vital that new growth and re-building both public and private, be guided by an overall plan. In my opinion, as Mayor, this is a must.

Such an overall plan must also be developed and worked on in as close a joint effort as can be put together between private enterprise and the public bodies involved. I cannot emphasize too strongly the need for an overall plan based on joint planning and joint implementation. Based on the initial planning to date, the following are some of the major reasons why the City must give high priority to re-developing the "downtown", and why private enterprise must become committed and directly involved.

1. The current population and employment projections prepared by Real Estate Research Corporation indicate a moderate growth rate for the City. The success of the downtown businesses will be dependent upon a joint effort to attract as much of this growth as possible to the "downtown" area.
2. The economic study indicated that this area does not yet have a major civic and cultural center such as those of Kansas City and Minneapolis. With the increased leisure time the City needs to vigorously pursue the role of becoming an effective cultural center for the state. The "downtown" area should be the focal point of all major cultural facilities.
3. To provide a maximum return of the tax dollars spent in the area of utilities, circulation systems, etc., it necessitates a unity in public and private development. This inter-relationship of private uses provides a basis for public investment which will reinforce and stimulate additional private investment.
4. The growing problems of traffic congestion and parking need to be supplemented by a new transit system that can function as an integral part of the downtown area.

Lastly, in my opinion, it is important to keep in mind that the "concept" prepared by the City Planning Department which has been discussed over the past few months is not a **plan**, but was merely to start the ideas flowing. What we need now is to have all ideas brought forth and to have Greater Des Moines, Inc., plus other groups, plus technical persons help mold the best ideas into an accepted overall plan which can guide and direct the future development of "downtown" Des Moines.

1-67



The White House
Washington

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RE: CSA GRANT (601-41-F-76-02)
ZAVALA COUNTY ECONOMIC DEVELOPMENT
CORPORATION WITHOUT A-95 REVIEW

FURTHER TO MY TELEGRAM OF AUGUST 17, LETTER OF SEPTEMBER 1,
AND SUBSEQUENT CORRESPONDENCE FROM JAMES LYNN OF OMB AND JAMES
CANNON OF THE DOMESTIC COUNCIL, PLEASE BE ADVISED THAT POSITIVE

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7 RESPONSE FOR FREEZING AND RECOVERING OF FUNDS PENDING A-95 REVIEW
8 WAS NOT FORTHCOMING. CONSEQUENTLY, TEMPORARY RESTRAINING ORDER
9 HAS BEEN OBTAINED IN FEDERAL COURT BY THE STATE OF TEXAS, WITH
10 HEARING ON INJUNCTION TO FOLLOW. CORRESPONDENCE RECEIVED ON
11 OCTOBER 8 FROM LOUIS RAMIREZ, ASSOCIATE DIRECTOR, CSA FAILS TO
12 FOLLOW REQUIRED PROCEDURES OF OMB CIRCULAR A-95 AND OFFERS NO
13 MEANINGFUL SOLUTION TO YOUR ADMINISTRATION'S VIOLATION OF
14 FEDERAL LAWS.
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18

19 AS STATED TO MR. CANNON OF YOUR OFFICE IN MY LETTER OF
20 OCTOBER 7, TEXAS DESIRES SPEEDY RESOLUTION OF PROBLEM CREATED
21 BY FAILURE OF CSA TO FOLLOW FEDERAL LAW, REGULATIONS AND
22 GUIDELINES IN THIS MATTER. HOWEVER, NEXT ACTION BY TEXAS MUST
23 AWAIT OUTCOME OF LITIGATION REFERENCED ABOVE UNLESS YOU ORDER
24 FREEZING AND RECOVERY OF FUNDS AWARDED AND ADVANCED PURSUANT
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FROM ORO5 PRINTED BY THE STANDARD REGISTER COMPANY - U. S. A.

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7 TO THE ABOVE REFERENCED ILLEGAL GRANT AND RESTORATION OF
8 SITUATION PRIOR TO TIME GRANT WAS MADE, FOLLOWED BY BONA
9 FIDE A-95 REVIEW.
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11

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13 DOLPH BRISCOE
14 GOVERNOR OF TEXAS
15
16

17 COPY TO THE HONORABLE JAMES T. LYNN
18 THE HONORABLE JAMES M. CANNON
19 THE HONORABLE LOUIS RAMIREZ
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